



Indiana Department of Education

SUPPORTING STUDENT SUCCESS

MEMORANDUM

TO: All School Superintendents

FROM: Melissa K. Ambre, Director
Office of School Finance

DATE: February 9, 2011

RE: Advancements from the Common School Fund

The Office of School Finance will accept Petitions for advancements from the Common School Fund from **February 9, 2011 through March 4, 2011**. Petitions must be received by the Office of School Finance by **March 4**, to be considered. Fax copies will be accepted under the following conditions:

1. Copies must have all required signatures and appropriate dates.
2. Fax copies must be received by **March 4, 2011, with original copies submitted by mail**. Requests for forms and completed forms may be faxed to (317) 232-0504.

Petitions for advancements may be obtained by submitting a written request to Melissa K. Ambre at the Office of School Finance, Department of Education, 151 W. Ohio Street, Indianapolis, IN 46204, or by email to mambre@doe.in.gov.

Advances for construction and technology will be made according to the rank of school corporations/school townships that have the least amount of assessed valuation per ADM in grades 1-12.

If I.C. 6-1.1-20 is applicable, School Corporations must complete local processes required for approval of a project *before* submitting an application. Therefore, the school corporation must be in compliance with this provision prior to the submittal of a petition for advancement from the Common School Fund Construction Program and the Educational Technology Program. If applicable, a copy of the certification by the County Auditor must accompany the Common School Fund petition.

If you have questions concerning the process, please contact me at (317) 232-0841.

Administrative Policies for the Common School Fund

1. During any one award period, a school corporation may cite no more than one building (remodeling, renovation, or new structure) as the subject of an advance from the Common School Fund.
2. The State Board of Education will not approve a construction advance to a school corporation that has unused facilities that are in excess of the corporation's facility needs. An applicant school corporation will provide a list of all facilities owned or leased by the school corporation and a statement of the current use of each facility. If a facility is not currently being used, the corporation must explain the status of that facility and provide a rationale for not disposing of the facility.
3. A school corporation that submits a petition for an advance from the school construction program or the educational technology program must certify either: 1) that the corporation has completed the preliminary determination and petition-remonstrance procedure in IC 6-1.1-20 with favorable results; or 2) that the procedure does not apply. This requirement does not apply if a school corporation intends to repay an educational technology advance from its Capital Projects Fund.
4. A corporation must submit its request for an advance on an original copy of the form approved by the State Board of Education.
5. Any school corporation that requests an advance from the school construction program should comply with the school facility guidelines adopted by the Indiana State Board of Education on September 7, 1995, or guidelines subsequently adopted pursuant to Indiana Code 20-19-2-12.
6. The maximum amount awarded under the provisions governing educational technology advancements will be based on the corporation's ADM times \$100. Corporations requesting advances for technology will be ranked from lowest to highest according to their assessed valuation per ADM.
7. Funds for the two categories of advances shall be allocated as follows:

School Construction Program	50%
Educational Technology Program	50%

In the event that all funds are not awarded from one program, those funds that remain shall be transferred to the other program.

8. Technology advances must be used within one (1) year after the State Board of Education approves the advance.
9. Construction advances must be used within two (2) years after the State Board of Education approves the advance, with at least fifty percent (50%) of the advance used within one (1) year after the State Board of Education approves the advance.
10. The State Board of Education will not permit prepayment of advances.

Adopted: September 2, 2009

School Construction Building Program

Qualifications

Under the provisions of IC 20-49-4-7 to qualify for an advance from the Common School Fund, the school corporation must have:

- (1) sustained a loss from a disaster;
- (2) an adjusted assessed valuation (as determined under IC6-1.1-34-8) per ADM that is within the lowest forty percent (40%) of the assessed valuation per ADM when compared to all school corporations adjusted assessed valuation (as determined under IC 6-1.1-34-8) per ADM; *or*
- (3) an advance under this chapter outstanding on July 1, 1993, that bears interest of at least seven and one-half percent (7.5%); *and*
- (4) established a capital projects fund under IC 20-40-8.

Maximum amount available

IC 20-49-4-13 States an advance to a school corporation for any school building construction program may not exceed the greater of:

- (1) fifteen million dollars (\$15,000,000); *or*
- (2) the product of fifteen thousand dollars (\$15,000) multiplied by the number of students accommodated as a result of the school building construction program.

This provision may be waived by the State Board of Education in the event that the school corporation sustains loss by disaster.

Interest rates

Pursuant to I.C. 20-49-4-15, the State Board of Finance will periodically establish interest rates as long as:

- (1) the established interest rate or rates do not exceed seven and one-half percent (7.5%); *and*
- (2) The interest rate or rates on advances made to school corporations with advances outstanding on July 1, 1993, bearing interest at seven and one-half percent (7.5%) or more shall not exceed four percent (4%).

Repayment period

Money advanced to school corporations or school townships for school building construction programs may be advanced for a period not to exceed twenty (20) years.

Educational Technology Program

Qualifications

In order to receive an advance for educational technology under IC 20-49-4, a school corporation must have a three (3) year technology plan. Said plan must include at least the following information:

- (1) A description of the school corporation's intent to integrate technology into the school corporation's curriculum.
- (2) A plan for providing in-service training.
- (3) A schedule for maintaining and replacing educational technology equipment.
- (4) A description of the criteria used to select the appropriate educational technology equipment for the appropriate use.
- (5) Other information requested by the department after consulting with the budget agency.

Maximum amount available

Advances for educational technology programs are without limitation in amount other than the availability of funds in the common school fund for this purpose, and the ability of the school corporation desiring an advance to pay the advance according to the terms of the advance.

Interest rates

The State Board of Finance shall establish periodically the rate or rates of interest payable as long as the rate or rates:

- (1) are not less than one percent (1%); *and*
- (2) do not exceed four percent (4%).

Repayment period

Money advanced for school technology may be for periods not to exceed five (5) years.

Use of funds:

The State Board of Education will advance money to school corporations and school townships for:

- (1) purchase, lease or financing of educational technology equipment;
- (2) operation of educational technology equipment; *and*
- (3) training of teachers in the use of educational technology equipment.